PAKAI INDUSTRIES BHD.

v.

CHEN YEW INDUSTRIES SDN. BHD.

HIGH COURT MALAYA, KUALA LUMPUR
ZAKARIA YATIM J
[ORIGINATING MOTION NO. C27 OF 1982]
27 SEPTEMBER 1990

TORT: *Trade Marks - Trade description order - Setting aside - Passing off - Requirements - Distinctive - Likely to deceive - Associated and identified by public - Identical - Likelihood of loss - Entitlement to protection - Reputation or goodwill - Relevant date - Date of commencement of conduct complained of - Period of non-use - Residual goodwill and reputation - Registered proprietor in register of trade marks - Whether covered instant goods - Registration in Singapore - Effect of - Defence of honest concurrent use - Length of time of use - Whether sufficient - Continuous use - Trade Descriptions Act 1972, ss. 16(1)(b) - Trade Marks Act 1976, ss. 20(1), 82.*

The applicant P obtained an *ex parte* trade description order under s. 16(1)(b) of the Trade Descriptions Act (the said order) against the respondent C in relation to false trade description of a trade mark "MAYOR" (the said trade mark) used in relation to cisterns and parts thereof. C now seeks to set aside the said order. The Court examined the question of whether P had established that it had a right of action for common law passing off. C argued that P has no reputation in relation to the said trade mark and was therefore not a proprietor of the said trade mark; C contended that it was the common law proprietor of the said trade mark. Further, it was submitted by C that it had been manufacturing and selling cisterns and fittings under the said trade mark from 1973 to 1984, whereas P started using the trade mark only in December 1975.

Another defence which was raised was that C was the registered proprietor of the said trade mark in the Register of Trade Marks in Malaysia (in relation to plastic utensils which was argued by C as including sanitary cisterns) and Singapore (sanitary cisterns and fittings).

C also contended that it was entitled to the honest concurrent use of the said trade mark under s. 20 of the Trade Marks Act 1976 as its use of the trade mark was longer or nearly as long as that of P.

Held:

[1] The invoices exhibited by P and the evidence of the distributors of P's cisterns show that the said trade mark had become distinctive of P and its cisterns.

[2] C's cistern is so identical to P's cistern that C's product is likely to deceive and cause confusion in the course of trade in relation to P's product - therefore there is a likelihood of diversion of customers from P to C which could result in a loss to P.

[3] The relevant date for determination of P's reputation is the date of commencement of the conduct complained of. In this case, that date was 5 May 1981 when C sold 140 sets of "MAYOR" cisterns - by this date, P had been the user of the said trade mark for five and a half years and had the reputation and goodwill in respect of the "MAYOR" cisterns - it was also clear that the mark had become associated in the minds of the public with P's cisterns.

[4] C's invoices and delivery orders issued during December 1973 to 1974 do not support C's claim that the said trade mark had become identified with C's cisterns nor that the trade mark continued to be distinctive of C's goods; consequently at the relevant date, C could not have had any reputation in the said trade mark of the cisterns.

[5] As to whether C can claim residual goodwill and reputation as a result of the period of non-user from 1974 to May 1981, there was no evidence to show that C had the residual reputation and goodwill for the said trade marks from 1973 to 1974; as such C also cannot claim residual goodwill and reputation during the period of non-user.

[6] Under s. 82 of the Trade Marks Act 1976, the registration of a trade mark does not provide a defence to proceedings of passing off by the use of that same mark. The fact that C is the registered proprietor of the said trade mark for plastic utensils in Peninsular Malaysia is not a ground for setting aside the said order which was obtained in relation to cisterns.

[7] The registration of the mark "MAYOR" in respect of sanitary cisterns in Singapore has no relevance here as our Trade Marks Act does not recognise that trade marks registered in a foreign country are protected here.

[8] Section 20 of the Trade Marks Act 1976 is not applicable to the present proceedings as it relates to the registration of a competing trade mark if honest concurrent use is proved - this instant case relates to the common law action of passing off.

[9] Assuming that the date to be considered for the purpose of honest concurrent use of the mark is the date of the application for the said order, (15 September 1982), C's use of the mark for cisterns was only for a period of 1 year and 6 months whereas P had used the mark for cisterns for a period of 6 years and 9 months; the period of one year and 6 months was not long enough to constitute a period of concurrent use.

[10] In addition, the use of the mark by C had not been continuous and C cannot now revive the use of the said mark.

[C's application dismissed.]

Cases referred to:
Ad-Lib Club Ltd. v. Granville [1972] RPC 673
A.G. Spalding & Bros. v. A.W. Gamage Ltd. [1915] RPC 273
A Levey v. Henderson - Kenton (Holdings) Ltd. & Anor. [1974] RPC 617
Cadbury-Schweppes Pty. Ltd. v. The Pub Squash Co. Ltd. [1981] RPC 429
Danniel & Arter v. Whitehouse [1898] 1 Ch 685
Draper v. Trist and Tristbestos Brake Linings Ltd. [1939] RPC 429
Edge & Sons Ltd. v. Gallon and Sons [1900] 17 RPC 557
Eli Lilly & Co. Ltd. v. Chelsea Drug Chemical Co. Ltd. [1965] RPC 14
Erven Warnink B. V. & Anor. v. J. Townend & Sons (Hull) Ltd. & Anor. [1989] RPC 31
Margaret Rose Trade Mark [1978] RPC 55
Norman Kark Publications Ltd. v. Odhams Press Ltd. [1962] RPC 163
Pup Trade Mark [1933] 50 RPC 198
Smith Hayden & Co. Ltd. [1949] 63 RPC 97
Socoil Corp. Bhd. v. Foo Chong & Anor. [1984] 2 MLJ 85
Stringfellow & Anor. v. McCain Foods (G.B.) United & Anor. [1984] RPC 501

Legislation referred to:
Trade Descriptions Act 1972, s. 16(1)(b)
Trade Marks Act 1976, ss. 20(1), 82
Trade Marks Act 1938 [UK], s. 2

Other sources referred to:
Kerly's Law of Trade Marks and Trade Names, 11th Edn., p. 148
Practical Introduction to Trade Mark, p. III by Brian C. Raid

For the applicant - Lee Tat Boon; M/s. Skrine & Co.
For the respondent - H. Jayaram; M/s. Ram Rais & Yap

JUDGMENT

Zakaria Yatim J:

This is an application by a company known as Chen Yew Industries Sdn. Bhd. (hereinafter referred to as "the respondent"), for an order of the Court that a trade description order dated 17 January 1983 be set aside and that an enquiry be made as to damages suffered by the respondent as a result of the order, and costs.

The order was obtained *ex parte* on the application of Pakai Industries Berhad, (hereinafter referred to as "the applicant"). The *ex parte* order *inter alia* states:

> **And it is ordered** that the trade mark "**MAYOR**" used in relation to cisterns and parts thereof manufactured by Pakai Industries Berhad shall for the purpose of the Trade Description Act 1972 be and is hereby deemed to be a false trade description.

The order was made under s. 16(1)(b) of the Trade Description Act, which states:

> Where any person being a proprietor or registered user of a registered trade mark within the meaning of any written law relating to trade marks or otherwise entitled at law to the protection of a trade or other mark or a get-up for any goods or services established:
>
> (b) in the case of a trade or other mark or get-up for any goods or services, that his rights in respect of such trade or other mark or get-up are being infringed in the course of trade as a result of which he has a right of action for passing-off,
>
> the High Court may on the application of such person make an order declaring that the infringing trade or other mark or get-up as the case may be is for purposes of this Act a false trade description in its application to such goods as may be specified in the order.

It is clear that a person seeking an order under the sub-section quoted above must establish that he has a right of action for passing-off.

In order to establish a valid cause of action for passing-off, the applicant has to satisfy five requirements: These are: (1) a misrepresentation (2) made by a trader in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him, (4) which is calculated to injure the business or goodwill of another trade and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought. See the speech of Lord Diplock in the House of Lords in *Erven Warnink B.V. & Anor. v. J. Townend & Sons (Hull) Ltd. & Anor.* [1989] RPC 31 at 93.

I shall now examine whether the applicant has satisfied all these five requirements at the time when the *ex parte* application was made.

The first requirement is misrepresentation. Misrepresentation may be expressed or implied. See *A.G. Spalding & Bros. v. A.W. Gamage Ltd.* [1915] RPC 273 at 284. To satisfy the requirement of misrepresentation the applicant must prove two points, firstly that the mark in question has become distinctive of its goods, and secondly the respondent's use of the mark is likely to deceive or cause deception.

In his affidavit in support of the *ex parte* application, the general manager of the applicant averred that since December 1975, Pakai Industries had extensively invoiced and sold in Malaysia cisterns under the mark "MAYOR" and the total value of the said cisterns from December 1975 to December 1980 amounted to approximately RM2,019,618.97. The total number of units sold during that period was 119,898. The invoices exhibited to the affidavit show that Pakai Industries had been consistently selling the product under the trade mark "MAYOR" for a period of five years, that is from December 1975 to December 1980. Mr. Ng Chee Gian, in his affidavit affirmed on 4 September 1982, averred that his company, Soon Siok Sdn. Bhd., was one of the distributors of the product of Pakai Industries including cisterns from January 1976. He said that the applicant's cisterns were characterised by the presence of the word "MAYOR" on the upper left hand front corner of the cisterns. He also stated that:

> persons who speak of 'MAYOR' cisterns refer to the applicant's cisterns and persons who ask for or order 'MAYOR' cisterns expect and intend to get the applicants' cisterns and nothing else. To the best of my belief, the word 'MAYOR' has been associated and identified by the public with the applicant's cisterns bearing the mark 'MAYOR' and no others.

The manager of William Jacks and Co. (M) Sdn. Bhd. and the proprietor of Syarikat Hup Lee Trading Company in their affidavits affirmed on 4 September 1982 also stated that their respective companies were the distributors of the applicant's cisterns bearing the mark "MAYOR". They also stated that the word "MAYOR" had been associated and identified by the public with the applicant's cisterns bearing the mark "MAYOR".

I find that the evidence contained in the four affidavits has shown that the mark "MAYOR" has become distinctive of the applicant and the applicant's cisterns.

With regard to the question of deception, I have examined the applicant's cistern and the cistern produced by the respondent. I find that both cisterns are of the same size and shape. Both cisterns have similar lids on top. The applicant's cistern has the word, "MAYOR" in front on the top left hand corner. The letters are in red. The respondent's cistern also has the word "MAYOR" in front on the top left hand corner. The lettering is in red but smaller than that found on the applicant's product. The type of lettering in both products are identical. But the word "MAYOR" on the respondent's product has a red oval rim around it. In my opinion the respondent's cistern is so identical to the applicant's cistern that the respondent's product is likely to deceive and cause confusion in the course of trade in relation to the applicant's product.

With regard to the second and third requirements, it is not disputed that the respondent's cisterns were sold in the open market by various traders.

As for the fourth and fifth requirements, the crucial question to be considered is whether damage or the likelihood of damage resulting from the misrepresentation has been proved. See *Stringfellow & Anor. v. McCain Foods (G.B.) United & Anor.* [1984] RPC 501 at 540. I find that there is a likelihood of diversion of customers from the applicant to the respondent as a result of which the applicant would suffer loss since the respondent's mark and goods are identical to the mark and goods of the applicant. Since the respondent's goods competed with the goods of the applicant, it is likely that the applicant suffered loss of profits as a result of purchasers buying the respondent's goods in place of the applicant's goods. Indeed, the applicant:

> need not wait to show that damage has resulted. He can bring an action as soon as he can prove the passing-off; because it is one of the class of cases in which the law presumes that the plaintiff has suffered damage.

See *Draper v. Trist and Tristbestos Brake Linings Ltd.* [1939] RPC 429 at 442.

Having considered all the five requirements, I find that the applicant has a right of action for passing-off and accordingly the trade description order dated 17 January 1983 was rightly granted.

The **onus** is, therefore, on the respondent to show that the applicant is not entitled to protection under s. 16(1)(b) of the Trade Description Act. The respondent must satisfy the Court that in the exercise of his judicial discretion conferred by the section the learned Judge should not have made the order in question. See *Socoil Corpor. Bhd. v. Foo Chong & Anor.* [1984] 2 MLJ 85.

I shall now examine the grounds relied upon by the respondent in support of its application to set aside the trade description order.

The first ground relied upon by the respondent is that the applicant has no reputation and is, therefore, not proprietor of the mark "MAYOR" for their cisterns. In his affidavit in support of the application, the managing director of the respondent averred that:

> the applicant's use of the said Trade Mark "MAYOR" is recent and of small extent and the applicants have not established any reputation in connection with the manufacture or sale of cisterns under the said Trade Mark "MAYOR". He added that the mark "MAYOR" has not become associated or identified in the minds of the trade or the public with the applicant's cisterns.

The deponent denied that "MAYOR" cisterns referred to the applicant's cisterns. He averred that the respondent was in fact the common law proprietor of the trade mark "MAYOR".

In considering the first ground, the Court has to determine the relevant date when the reputation and goodwill in respect of the product was established. The law is clear as to what is the relevant date. The relevant date is the date of commencement of the conduct complained of. The principle is stated by Wilberforce J in *Norman Kark Publications Ltd. v. Odhams Press Ltd.* [1962] RPC 163. At p. 169 of his judgment, the learned Judge said:

> The principle to be applied, in my judgment, is that which lies at the foundation of all cases where the plaintiff seeks to protect a trade name (such name not being a registered trade mark), namely that the plaintiff must show that at the date of the user by the defendant of which he complains, he has a proprietary right in the goodwill of the name, or, in other words, that the name remains distinctive of some product of his, so that the use by the defendant of the name is calculated to deceive.

The above principle was approved by the Privy Council in *Cadbury-Schweppes Pty. Ltd. v. The Pub Squash Co. Ltd.* [1981] RPC 429. In that case Lord Scarman, in delivering the opinion of the board, said, at p. 429:

> The relevant date is, in law, the date of the commencement of the conduct complained of, that is, 8 April 1975, when the respondent began to market 'Pub Squash'. See *Norman Kark Publications Ltd. v. Odham Press Ltd.*

The question that arises here is what is in fact the relevant date in determining the applicant's reputation? The conduct complained of is contained in the affidavit of Andrew Chin affirmed on behalf of the applicant on 28 May 1982. In that affidavit he stated that the applicant had

"ascertained and is the fact that numerous traders have sold and are still selling cisterns under the "MAYOR" trade mark but which cisterns though they bore the applicant's trade mark are not the manufacture of the applicant." The relevant date in this case is 5 May 1981 when the respondent sold 140 sets of MAYOR cisterns for RM2,520,000 *vide* invoice number 7098. By that date the applicant had been the user of the mark for five and a half years. They had, sold up to that date 119,000 units worth of RM2,000,000.

In my view, at the relevant date, the applicant had the reputation and goodwill in respect of its product, "MAYOR" cisterns. From the affidavit of the three dealers, Soon Siok Sdn. Bhd., William Jack & Co. (M) Sdn. Bhd. and Syarikat Hup Lee Trading, which I referred to earlier, it is clear that the mark "MAYOR" had become associated in the minds of the public with the applicant's cisterns. I agree with Mr. Lee Tat Boon, Counsel for the applicant, that the applicant had by 5 May 1985 attained a significant level of recognition and acceptance in the market for the "MAYOR" cisterns. The respondent has failed to prove that the applicant did not have the reputation and goodwill in respect of the "MAYOR" cisterns. The respondent also fails to show that the mark "MAYOR" has not become associated with the applicant.

Mr. H. Jayaram, Counsel for the respondent submitted that the respondent and its predecessors had been manufacturing and selling cisterns and fittings under the trade mark "MAYOR" from 1973 to 1984. He contended that since the respondent had used the said trade mark much earlier than 1975 it was entitled to the use of the said trade mark under the common law. In support of his submission he relied on the affidavit of the managing director of the respondent company affirmed on 19 June 1985 and the exhibits thereto. The exhibits are delivery orders and invoices issued from 18 December 1973 to 12 December 1974. There was a gap of five years and five months. From 5 May 1981, the respondent started to issue delivery orders again and this went on and the last delivery order exhibited to the said affidavit is dated 27 August 1984.

As stated earlier the relevant date for determining whether a party suing has the necessary reputation or goodwill is the date of the commencement of the conduct complained of and in this case 5 May 1981. Thus all the documentary evidence namely the invoices and delivery orders exhibited to the said affidavit from the period from May 1981 to August 1984 cannot be considered by this Court. The only documentary evidence that can be considered by this Court are the invoices and delivery orders issued during the period from December 1973 to December 1974. From the delivery orders issued during the period 1973 - 1974 I find:

(a) only four delivery orders and one invoice refer to the mark "MAYOR" but this mark is not in connection with cisterns;

(b) two invoices and two delivery orders are in respect of cisterns but the mark "MAYOR" is not used; and

(c) the remaining delivery orders and invoices are not in respect of the mark "MAYOR" nor in respect of cisterns.

The documentary evidence does not support respondent's claim that the trade mark "MAYOR" had become identified with the respondent's cistern. Therefore, at the relevant date the respondent could not have any reputation in the mark "MAYOR" in respect of cisterns.

From the documentary evidence, the respondent also fails to show that the mark "MAYOR" continued to be distinctive of the respondent's goods. See *Spalding* case *supra*. Lord Parker, in his speech in that case at p. 284 said:

> Even in the case of what are sometimes referred to as Common Law Trade Marks the property, if any, of the so called owner is in its nature transitory, and only exists so long as the mark is distinctive of his goods in the eyes of the public or a class of the public.

In view of my finding above, and in view of the period of non user from 1974 to May 1981, the question that arises here is whether the respondent can claim residual goodwill and reputation in respect of the mark "MAYOR".

The principle may be stated as follows: When a trader ceases to carry on his business he may none the less retain for some period of time the goodwill attached to that business. So long as, he retains the goodwill he must also be able to enforce his rights in respect of any name which is attached to that goodwill. See *Ad-Lib Club Ltd. v. Granville* [1972] RPC 673. See also *A Levey v. Henderson - Kenton (Holdings) Ltd. & Anor.* [1974] RPC 617. In *Ad-Lib* case, Pennycuick VC in his judgment at 677 said:

> It must be a question of fact and degree at what point in time a trader who has either temporarily or permanently closed down his business should be treated as no longer having any goodwill in that business or in any name attached to it which he is entitled to have protected by law.
>
> In the present case, it is quite true that the plaintiff company has no longer carried on the business of a club ... for five years. On the other hand, it is said that the plaintiff company on the evidence continues to be regarded as still possessing goodwill to which this name Ad-Lib Club is attached. It does ... appear firstly that the defendant must have chosen the name Ad-Lib Club by reason of the reputation which the plaintiffs company's Ad-Lib acquired. In the second place, it appears from the newspaper cuttings which have been exhibited that members of the public are likely to regard the new club as a continuation of the plaintiff company's club. Therefore I think that the proper inference to be drawn from the evidence is that the plaintiff company has indeed a residual goodwill to which his name is attached and that goodwill is an asset of value in the hands of the plaintiff company which it is entitled to exploit.

In the instant case, there is no evidence to show that the respondent company has the reputation and goodwill for the mark "MAYOR" for cisterns during the period from 1973-1974. Accordingly, the respondent cannot claim residual goodwill and reputation during the period of the five years and five months of non user as well as at the relevant date.

I now move on to the next point relied upon by the respondent. In his affidavit in support of the application, the managing director of the respondent company contended that the respondent was the registered proprietor of the mark "MAYOR" in the register of Trade Mark in Peninsular Malaysia and in Singapore. He averred that in February 1973, the respondent's predecessors applied to the Registry of Trade Marks, Malaya for the registration of the respondent's trade mark, "MAYOR" in respect of goods including sanitary cisterns. The respondent's predecessors obtained the registration of the trade mark "MAYOR" in Malaya on 8 February 1973. The trade mark registration number was M/61691 and it was registered in Class 21 in respect of plastic utensils. The deponent also averred that the said plastic utensils in respect of which the trade mark "MAYOR" was registered referred to goods including sanitary cisterns. The said registration was renewed for a period of fourteen years from 8 February 1980. The deponent further averred that on 22 August 1984, the said trade mark no. M/61691 was assigned to the respondent's predecessors in title. The name of the

respondent was duly entered in the register of trade marks as the registered proprietor of the trade mark No. M/61691 with effect from 26 July 1984. The deponent also stated that the respondent was also the registered proprietor of the trade mark "MAYOR" in the Register of Trade Marks, Singapore in respect of sanitary cisterns and fittings with effect from 16 March 1981. The Singapore trade mark registration number was B1098/81. According to the deponent, the respondent company was the proprietor of the Trade Mark "MAYOR" in respect of sanitary cisterns and fittings and accordingly the respondent company was entitled to the exclusive right to the use of the trade mark "MAYOR" in relation to goods including sanitary cisterns and fittings. Copies of the relevant trade mark certificates were exhibited to the affidavit.

I have examined the certificate of Trade Mark Registration No. M/61691. According to the certificate Kam Mok Sung and Cheong Siew Hoong trading as Syarikat Chen Yew Industries were the registered proprietors of the Mark "MAYOR" with effect from 8 February 1983 in respect of "plastic utensils". The said registration was renewed on 23 August 1984 for a period of fourteen years commencing 8 February 1980. It is to be noted that in the certificate the trade mark "MAYOR" is not in respect of cisterns but in respect of plastic utensils. The question that arises here is whether the fact that the trade mark "MAYOR" was registered by the respondent in Peninsular Malaysia is a ground for setting aside the trade description order?

In order to answer this question it is necessary to examine the provisions of the law. Section 82 of the Trade Marks Act states:

> (1) No person shall be entitled to initiate any action to prevent or to recover damages for the infringement of an unregistered trade mark.
>
> (2) Notwithstanding subsection (1), nothing in this Act shall be deemed to affect the right of action against any person for passing off goods as those of another person or the remedies in respect thereof.

Section 82 of our Act is substantially the same as s. 2 of the United Kingdom Trade Marks Act 1938. Section 2 states:

> 2. No person shall be entitled to institute any proceedings to prevent, or to recover damages for, the infringement of an unregistered trade, but nothing in this Act shall be deemed to affect rights of action against any person for passing-off goods as the goods of another person or the remedies in respect thereof.

In *Eli Lilly & Co. Ltd. v. Chelsea Drug Chemical Co. Ltd.* [1965] RPC 14 Walker J, in his judgment at p. 18 said:

> Secondly, having regard to s. 2 of the Trade Marks Act 1935, the fact that the defendant is using a registered trade mark is no defence to an action for passing-off. Accordingly, this contention by the defendants that they were using their registered trade mark fails in relation to the infringement of trade mark claim because in my opinion, they were not using their registered trade mark, and fails in relation to passing-off because even if they were using their registered trade mark, it affords no defect to the claim.

In my opinion the passage quoted above applies to the present case by virtue of s. 82 of the Trade Marks Act. Therefore, the registration of a trade mark does not provide a defence to proceedings of passing off by the use of that same mark. Accordingly, I hold that the fact that the respondent is the registered proprietor of the mark "MAYOR" for plastic utensils in Peninsular Malaysia, is not a ground for setting aside the trade description order obtained by the applicant for the mark "MAYOR" for cisterns.

With regard to the registration of the mark "MAYOR" in the Republic of Singapore, it is not in dispute that the mark "MAYOR" was registered in Singapore in respect of sanitary cisterns and fittings in the name of the respondent company effective from 16 March 1981. The trade mark registration number is B1098/81. It has been rightly stated that a trade mark registration is, in essence, a right of territorial nature, restricted to the jurisdiction of the country granting the registration. See *Brian C. Raid, Practical Introduction to Trade Mark*, p. III. There is no evidence of a bilateral arrangement between Malaysia and the Republic of Singapore whereby trademarks registered in Singapore are protected in Malaysia. Neither is Malaysia a party to any multi-lateral treaty under which Malaysia is under legal obligation to protect a trade mark registered in a foreign country. In any event our Trade Marks Act does not provide that trade marks registered in a foreign country are protected here. Foreign registered trade marks are only protected in Malaysia if they are registered by the Registrar of Trade Marks in this country. There is no evidence that the mark "MAYOR" in respect of sanitary cisterns, which was registered in Singapore is also registered in Malaysia. In the circumstances the registration of the mark "MAYOR" in respect of sanitary cisterns in Singapore has no relevance to this case.

The next point raised by the respondent is that it is entitled to the concurrent use of the mark "MAYOR" under s. 20 of the Trade Marks Act.

This is set out in para. 39 of the respondent's affidavit affirmed on 19 June 1985 and reiterated by Mr. Jayaram in his submission.

Section 20(1) of the Trade Marks Act states:

> In the case of honest concurrent use or of the circumstances described in para. (c) of subsection (4) of s. 6 or of other special circumstances which, in the opinion of the Court or the Registrar, make it proper so to do, the court or the Registrar may permit the registration of trade marks which are identical or so nearly resembling each other in respect of the same goods or description of goods by more than one proprietor subject to such conditions, amendments, modifications or limitations, if any, as the Court or the Registrar, as the case may be, may think right to impose.

It is to be noted that the section quoted above relates to the registration of a competing trade mark if an honest concurrent use is proved. But the present case is not related to the registration of a competing trade mark. It is related to the common law action of passing off. See s. 82 of the Trade Marks Act, which I have referred to earlier. Section 20, in my view is not applicable to the present proceeding.

However if the respondent can prove that it is an honest concurrent user, then it has a good defence to a passing-off action and on this ground the Court can set aside the trade description order. There are several factors to be considered in determining whether a person is an honest concurrent user. One of the factors to be considered is the extent of use in time and quantity and the area of the trade. See *Kerly's Law of Trade Marks and Trade Names*, 11th Edn., p. 148. Thus, in order to succeed in proving that the respondent is an honest concurrent user, it has to prove that the use of the mark was nearly as long as that of the applicant if not longer. In *Edge & Sons Ltd. v. Gallon and Sons* [1900] 17 RPC 557, the House of Lords decided that the concurrent user was proved. The facts of that case were that in 1888 one William Edge commenced to call his blue "Dolly" and it was ordered, invoiced and advertised as "Dolly". In 1898 a company was formed which took over the business of Mr. Edge. In 1898 the company commenced an action against Gallon & Sons for supplying blue not being the plaintiff's blue to persons ordering "Dolly Blue." The blue supplied by the defendant was the blue manufactured by one Richard Ripley and bore Ripley's

trade mark, which consisted of a washing tub called in some places a "Peggy" tub with the handle of a dolly or peggy stick projecting from it. Mr. Ripley had used this trade mark since 1871 and registered it under the Trade Marks Act in 1876. It was admitted that Ripley's blue was called "Oval Blue" and was invoiced as "Oval". It was the defendants' case that retail customers often asked for it as "Dolly Blue," before 1888 and after, and that there had in fact been a concurrent use of the word "Dolly" to describe Edge's blue and Ripley's blue. At the trial it was decided that the plaintiffs were entitled to an injunction. The defendants appealed to the Court of Appeal which decided that the concurrent use of the term "Dolly" to denote Ripley's blue as well as the plaintiff's blue was proved. The House of Lords agreed with the decision of the Court of Appeal.

The question to be considered in the present case is whether the respondent has proved that its use of the mark in respect of cisterns is longer or nearly as long as that of the applicant. The applicant's use of the mark "MAYOR" for cisterns began on 6 December 1975 and is still continuing. From the invoices and delivery orders exhibited by the respondent, there is no evidence that the mark "MAYOR" was used for cisterns or their cisterns bore the mark "MAYOR" during the period 1973-1974. The respondent has also not proved that they used "MAYOR" for cisterns before the relevant date. In fact it was on the relevant date, 5 May 1981 that the respondent's invoice showed, for the first time, the mark "MAYOR" for cisterns. Assuming that the date to be considered for the purpose of honest concurrent use of the mark is the date of the application for the trade description order, that is, 15 September 1982, the respondent's use of the mark "MAYOR" for cisterns was only for a period of one year and six months. The applicants on the other hand had used the mark "MAYOR" for cisterns from 6 December 1975, that is, for a period of six years and nine months when the application for the trade description order was made.

The next question to consider is whether the use of the mark for one year and six months can be regarded as sufficient to constitute honest concurrent use? In *Smith Hayden & Co. Ltd.* [1949] 63 RPC 97, it was decided that a period of nine months was not sufficient to constitute an honest concurrent use. In the case of *Pup Trade Mark* [1933] 50 RPC 198, it was decided that a period of sixteen months was not sufficient to establish concurrent use. In his decision at p. 199, Dr. M.F. Lindley, the Comptroller-General said:

> The application for registration was made upon 5 February 1932. The mark PUP was, however, first applied by the applicants to Wireless Receiving-sets in September 1930, and from that date to the date of the application upwards of 145,000 sets had been sold. This use is not, I think, sufficient to give the applicants any concurrent rights with the opponents.

Even a period of four years cannot be regarded as sufficient to constitute honest concurrent use if the person who claims to be an honest concurrent user cannot prove to the satisfaction of the Court that the sale of his product bearing the same mark or similar mark is extensive enough. Thus in *Margaret Rose Trade Mark* [1978] RPC at 55, it was stated, at pp. 61 and 62:

> Accepting that the applicants' mark was first used in 1976 there is about 4 years concurrent use of the marks up to the relevant date of the application. The comparison of the total turnover, according to the opponent's and applicants' evidence, is as follows:

Year	Opponent's Turnover	Applicant's Turnover
1967	£ 960,147	£ 24,020
1968	£1,134,839	£ 71,577

1969	£1,063,380	£126,197
1970	£1,067,762	£289,666
1971	£1,147,346	£418,771

> It is apparent from the above figures that whereas English Rose products were very well established in 1967 and selling at nearly £1 million a year, the applicants were starting in a modest way, although by July 1971 they had expanded their business quite substantially ... I am not satisfied that the concurrent user has been long enough and extensive enough for them to have been an adequate test of sales under the respective marks in the main retail trade.

In the present case, Andrew Chin, the General Manager of the applicant company deposed in his affidavit affirmed on 28 May 1982 that the applicant had since December 1975 extensively invoiced and sold in Malaysia cisterns under the mark, "MAYOR" and the total value of the said cisterns from December 1975 to December 1980 amounted to approximately RM2,019,618.79. The following are the particulars:

Period	**Total Units**	**Amount of Sales**
1975	2,328	RM 49,937.72
1976	41,047	RM 708,442.08
1977	5,268	RM 80,886.00
1978	14,703	RM 223,144.35
1979	20,635	RM 337,821.95
1980	35,917	RM 609,386.87
Total	119,898	RM2,019,618.97

The applicant has 70-80 dealers in Malaysia selling their cisterns bearing the mark "MAYOR".

It will be noted that the figures above do not include the figures during the period from the relevant date to the date of application for the trade description order, that is, 15 September 1982. Both the applicant and the respondent have exhibited their invoices and delivery orders relating to that period. I have examined the total turnover based on their respective invoices and delivery orders during that period. I find that during that period (5 May 1981 to 15 September 1982), the applicant's turnover was RM54,862 plus US$6,300 and the respondent's turnover was RM44,225.40.

In my opinion the period of one year, and six months is not long enough to constitute a period of concurrent use. I come to this conclusion, after considering the turnover of each party for that period. The figures clearly show that the respondent's sale of the cisterns bearing the mark "MAYOR" was not extensive enough. The respondent therefore failed to prove that it is an honest concurrent user of the mark "MAYOR" for cisterns.

Assuming that the respondent had used the mark "MAYOR" for cisterns in 1973 and 1974 the use of the said mark is still not sufficient to constitute an honest concurrent use. For the purpose of establishing an honest concurrent use, the use of the mark must be continuous. If there is a break in the use of the mark and in the meantime a rival trader uses the same mark which becomes identified with the rival trader the defence of concurrent use cannot be relied upon. In *Danniel & Arter v. Whitehouse* [1898] 1 Ch 685, it was decided that where there had been a concurrent use of a trade name by A and B, but the user thereof by B had practically ceased for some years, and A had in the meantime acquired a large sale for his

goods and a reputation in the market under the trade name so that the name had become associated solely with the goods of A, B could not afterwards, revive the use of the name in his business in such a way as to pass off his goods as those of A. In his judgment in that case, Gorell Barneo J at pp. 689 and 690 said:

> Although I do not find any case precisely like this, because there was a time at which both these people were making goods in the same way (though it does not seem to have been proved that they were made of precisely the same alloy), yet still it seems to me that if a trade drops out of the use of a party, as it has done in this case out of the defendant's house, and while that state of things prevails another gains the reputation in the trade for goods made under the particular name, and his name is associated with the mark and the mark associated with his name, so that everybody who deals in the goods considers that when they see the mark they see goods made by the particular maker, then the original position of the competitor using the same mark has practically disappeared.

From the above authority, whatever the original position the respondent had in respect of the use of the mark "MAYOR" for cisterns, the respondent's original position had disappeared and had been abandoned. The respondent cannot now revive the use of the mark "MAYOR" for cisterns. In the circumstances the respondent cannot say that it is an honest concurrent user of the mark and accordingly, it cannot rely on this ground to set aside the trade description order.

For the reasons stated above, I dismiss the application with costs.

Also found at [1991] 2 CLJ 1574